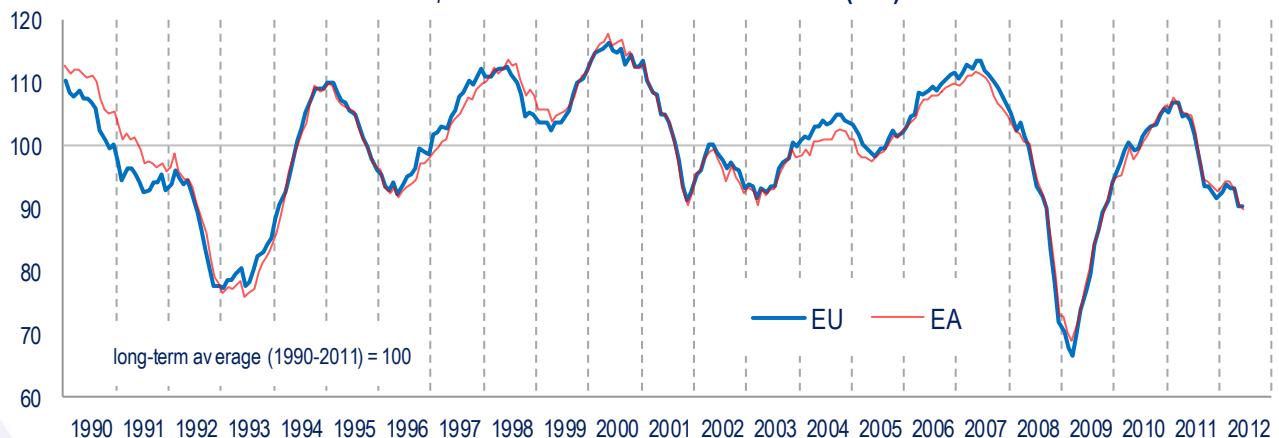


## **BUSINESS AND CONSUMER SURVEY RESULTS**

**June 2012**

**Graph 1: Economic sentiment indicator (s.a.)**



source: European Commission services

### **Economic sentiment remains stable in the EU and declines in the euro area**

The *Economic Sentiment Indicator* (ESI) remained unchanged, at 90.4, in June in the EU and decreased by 0.6 points in the euro area, to 89.9. Falling confidence in industry, services and, to a lesser extent, among consumers was counterbalanced or mitigated by increasing confidence in retail trade and construction.

Among the largest Member States, sentiment worsened in France (-1.5), Germany (-1.4), Poland (-1.3) and, to some extent, the Netherlands (-0.3). By contrast, sentiment improved in the UK (+1.9), Spain (+1.0) and Italy (+0.9). The ESI is above its long-term average only in Germany.

Confidence in *industry* declined in both the EU (-0.7) and the euro area (-1.3), based on a deterioration in managers' *production expectations* and their assessment of their companies' *current level of overall order books*. In both regions, the assessment of the adequacy of the current level of *stocks of finished products* remained broadly unchanged. Managers' assessment of their companies' *past production* and current level of *export order books* also deteriorated in both regions. Confidence in *services* fell in both the EU (-1.2) and, particularly, the euro area (-2.2), mirroring a deterioration in all three components: the assessment of the *past business situation* and *past demand* declined markedly in the euro area. In the EU the drop in the assessment of *past demand* was less pronounced. Also *demand expectations* deteriorated in both areas. After the sharp fall registered last month, confidence in *retail trade* rebounded in both the EU (+4.3) and the euro area (+3.2), due to a significant improvement in the perceived *present and expected business situation*. Retailers' assessment of the adequacy of the current *volume of stocks* improved too. Confidence also recovered in *construction* in both the EU (+1.5) and the euro area (+2.1) partly offsetting last month's decreases. Both managers' assessment of *order books* and *employment expectations* contributed to this recovery.

In both regions, *employment plans* were further revised down for industry and services, while they rose in retail trade and construction. At the same time, *selling price expectations* decreased significantly in all business sectors except construction.

Confidence among *consumers* declined slightly by 0.3 points in the EU and by 0.5 points in the euro area, based mainly on worsened expectations about the *future general economic situation* and increased *unemployment fears* in both regions. By contrast, consumers' expectations about their own *financial situation* and their *savings* improved in both the EU and the euro area.

Confidence in *financial services* – not included in the ESI – decreased markedly in both the EU (-4.8) and the euro area (-2.6) due to significant decreases in *demand expectations* and the assessment of the *past business situation*. In the EU also the assessment of *past demand* deteriorated, while it remained broadly unchanged in the euro area.

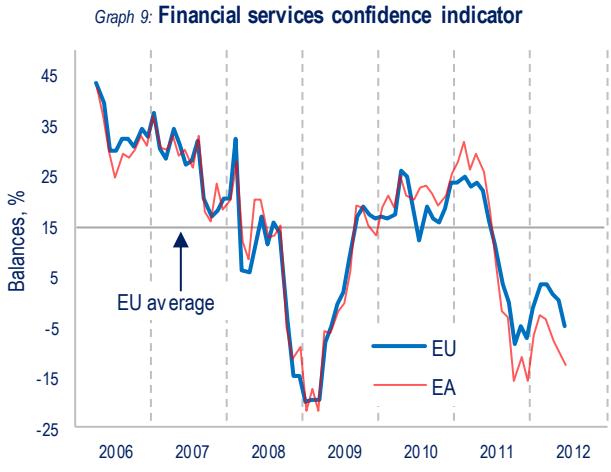
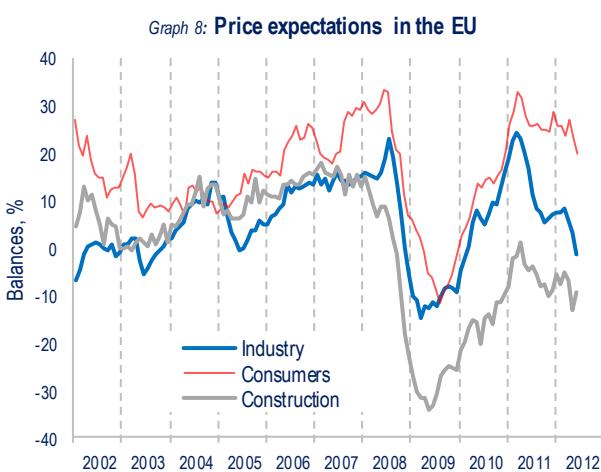
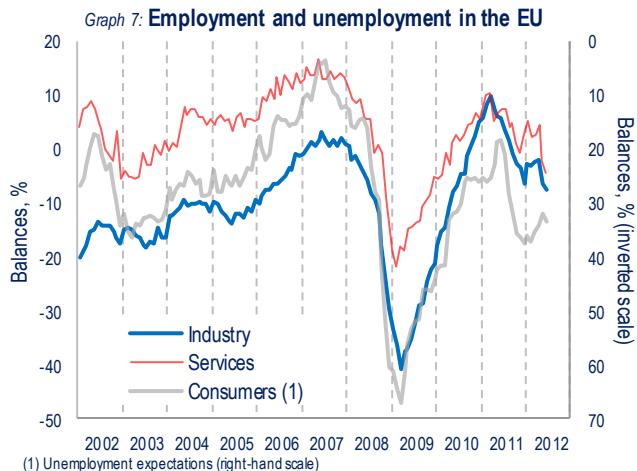
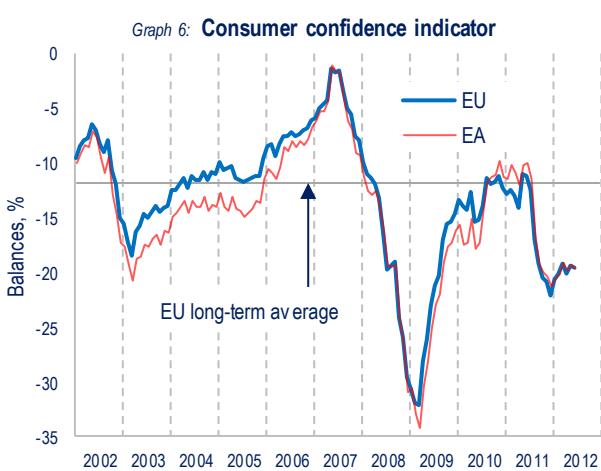
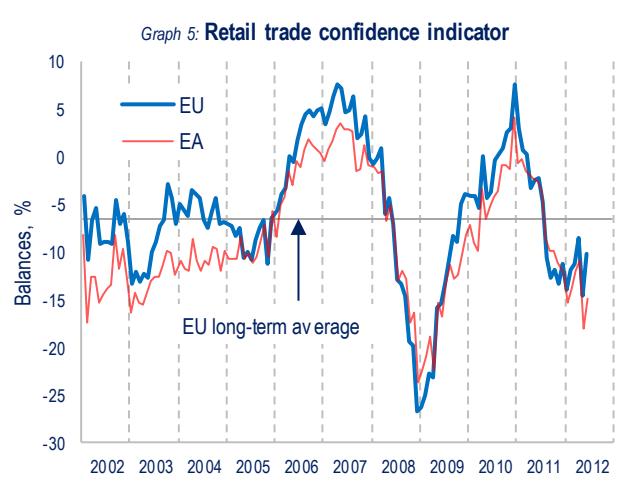
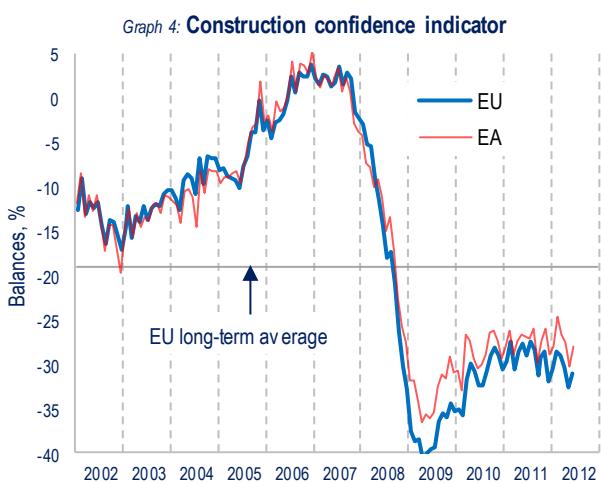
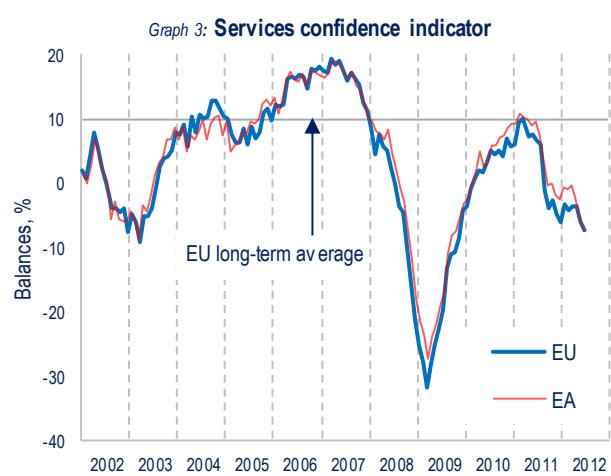
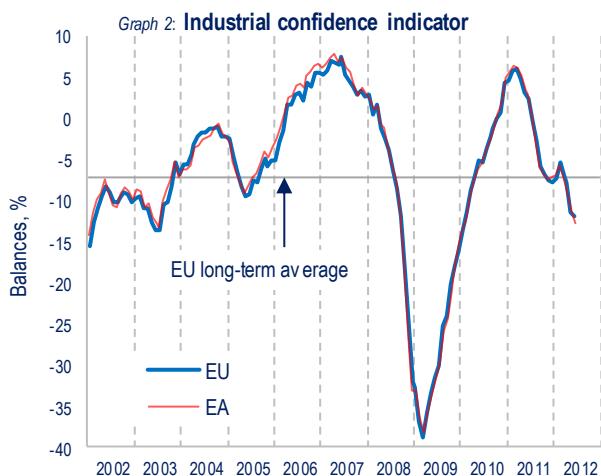




































TABLE 7: Monthly survey of financial services sector <sup>(a)</sup>

	Since 04/2006				2011							2012						
	Min.		Ave.	Max.		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
	Date	Value		Date	Value													
FINANCIAL SERVICES CONFIDENCE INDICATOR <sup>(b)</sup>	EU	01-09	-20.0	14.5	04-06	43.3	11.3	3.2	-0.3	-8.7	-4.7	-7.2	-1.2	3.4	3.5	1.4	0.0	-4.8
ASSESSMENT OF BUSINESS SITUATION OVER THE PAST 3 MONTHS <sup>(c)</sup>	EU	02-09	-31.6	10.7	04-06	38.6	7.2	-2.6	-7.8	-11.9	-6.3	-8.6	-6.9	0.3	-1.3	-1.5	-0.3	-6.5
EVOLUTION OF DEMAND OVER THE PAST 3 MONTHS <sup>(c)</sup>	EU	03-09	-30.1	10.5	04-06	39.6	4.3	-8.8	-11.7	-21.6	-13.2	-20.6	-12.7	-5.8	-10.8	-10.6	-9.6	-12.5
EVOLUTION OF DEMAND EXPECTED OVER THE NEXT 3 MONTHS <sup>(c)</sup>	EU	01-09	-24.9	12.2	04-06	41.6	10.9	4.0	0.9	-10.8	-3.7	-9.9	-4.4	3.8	-1.4	-3.1	3.2	-1.9
EVOLUTION OF EMPLOYMENT OVER THE PAST 3 MONTHS	EU	02-09	-11.2	7.2	01-07	23.3	4.3	6.0	-1.4	-0.8	-1.0	-2.2	-0.1	-4.1	-2.1	3.4	-2.8	1.9
EVOLUTION OF EMPLOYMENT EXPECTED OVER THE NEXT 3 MONTHS	EU	01-09	-11.8	9.3	04-06	30.0	5.8	4.0	1.6	1.0	-1.5	-3.2	-3.3	2.0	1.4	5.6	-1.6	4.3
	EA	01-09	-11.6	9.2	04-06	29.5	6.6	1.2	-3.0	-2.6	-3.3	-9.5	-8.3	0.3	4.7	1.7	-7.3	-1.5

(a) Data are not seasonally adjusted.

(b) The confidence indicator is the arithmetic average of the balances (%) for the questions on business situation and past and expected evolution of demand.

(c) Component of the confidence indicator.

## Information

The European Commission publishes the Business and Consumer Survey Results every month. The issues of January, April, July and October also include the quarterly survey results for the manufacturing industry and consumers. The April and November issues also include the investment survey results.

The data of the surveys is processed by the Directorate-General *Economic and Financial Affairs* (DG ECFIN), Unit *Economic situation, forecasts, business and consumer surveys* (A4), Sector *Business and consumer surveys and short-term forecast*.

To obtain additional information regarding these survey results you can contact the European Commission at the following addresses:

**Mail:** European Commission  
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200, Rue de La Loi  
B-1049 Brussels

**Email:** [ECFIN-BCS-MAIL@ec.europa.eu](mailto:ECFIN-BCS-MAIL@ec.europa.eu)  
**Website:** [ec.europa.eu/economy\\_finance/bcs](http://ec.europa.eu/economy_finance/bcs)

**Upcoming releases:** Flash Consumer Confidence Indicator 23 July 2012  
Economic Sentiment Indicator 30 July 2012  
Business Climate Indicator for the euro area 30 July 2012